GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department – The Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 - Attachment of immovable properties in respect of M/s Jagajjanani Chit Funds Private Limited (JCFPL), Rajamahendravaram in Crime No.11/2023 of the Crime Investigation Department Police Station, Andhra Pradesh, Mangalagiri under sections 120(B), 409, 420 and 477(A) read with section 34 of the Indian Penal Code, 1860 and section 5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 and sections 76 and 79 of the Chit Funds Act, 1982 - Ad-interim orders - Issued.

HOME (GENERAL-A) DEPARTMENT

G.O.Ms.No.141 Dated: 19.08.2023
Read the following:

1) G.O.Ms.No.193, Home (Genl.B) Department, Date:23.08.2001
2) Letter received from the Director General of Police, Intelligence Department and CID, A.P., Mangalagiri C.No.5705/C-13/CID-EOW/2023, Dated:12.07.2023.

*****

ORDER:

Whereas, in the G.O. first read above, Government have appointed the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri as the case may be, as the "Competent Authority" under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to safeguard the interests of the depositors and to exercise control over the properties attached by the Government under sections 3 and 8 of the said Act.

2. Whereas, in the letter second read above, the Director General of Police, Crime Investigation Department, Andhra Pradesh has reported that M/s Jagajjanani Chit Funds Private Limited (JCFPL) has established the office at Rajamahendravaram in the state of Andhra Pradesh, since 2008. Sri Adireddy Apparao, Managing Director-Cum-Foreman (A-1) and other directors Sri Adireddy Sinivas (A-2), Smt. Adireddy Venkata Jotsna (A-3), Smt. Adireddy Veeraghavamma (A-6), Sri Adireddy Srinivasa Rao (A-5) for the accused company. M/s JJCFPL Company (A-4) operates its chit business in 37 types of chit groups, currently having approximately 969 subscribers from the districts of Kakinada, East Godavari, West Godavari and Eluru. The Chit Groups range from 7.50 lakh to 72.00 lakh in value, with a tenure of 20 months to 50 months. The Managing Director-Cum-Foreman of JCFPL and other directors of the company have conspired and committed the offences.

3. Whereas, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh has also stated that an inspection was conducted on 15.11.2022 at the office of M/s Jagajjanani Chit Funds Private Limited (JCFPL) located in Rajamahendravarm by the officials of Registration and Stamps Department. During the inspection, a host of offences and violations of provisions of the Chit Funds Act, 1982 were noticed under sections 12, 16, 23, 24, 27 and Form-XXI under Rule 28(2) for each individual chit group. The Company is operating an unauthorized branch office at Munisiff Juction, Jagannadhapuram, Kakinada and misleading its subscribers. This unauthorized operation is a deception and violation of the sanctioned permission. It is evident that the accused company JCFPL, along with individuals A-1 to A-3, A-5 and A-6, conspired to gather to collect deposits in violation of the RBI guidelines and the Chit funds Act, 1982. They deliberately collected deposits from unsuspecting subscribers with the intention to deceived them, which violates the RBI regulations and the provisions of section 12 of the Chit Funds Act,1982 and it is also an offence under section 5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999).

4. Whereas, the Director General of Police, Crime Investigation Department, Andhra Pradesh has further stated that during the investigation, it was noticed that, certain immovable properties are held in the name of the accused company M/s Jagajjanani Chit Funds Private Limited. The details of the immovable properties are described in the Annexure-I (Total of Rs.9,43,52,020/-).

5. The Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri has requested the Government, to issue an ad-interim orders for attachment of the immovable properties as per Annexure I appended to this order, total worth of Rs.9,43,52,020/- authorizing the Director General of Police, Crime Investigation Department/Competent Authority under sections 3 and 8 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 to file an application before the Hon'ble Court concerned to make the orders absolute.

6. The Government, after careful examination of the matter, hereby issued an ad-interim orders for attachment of the immovable properties described in the Annexure I of this order in respect of M/s Jagajjanani Chit Funds Private Limited, duly authorizing the Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri and competent authority, as defined in sections 3, 8 and section 4(1) of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, is given possession and control over the attached immovable properties and to file an application before the Hon'ble Court concerned to make the orders absolute.

7. The Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri and the Competent Authority is requested to take necessary further action in the matter as per the provisions of the said Act and Rules made there under, duly following the due procedure and send compliance report to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

HARISH KUMAR GUPTA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director General of Police, Crime Investigation Department, Andhra Pradesh, Mangalagiri (w.e.).

Copy to:
The Director General of Police, Andhra Pradesh, Mangalagiri. (w.e.)
The Commissioner & Inspector General of Registration and Stamps, A.P., Vijayawada
The O.S.D. to Hon'ble Minister (Home) Andhra Pradesh.
The P.S. to Principal Secretary to Government, Home Department.
The Law (C) Department, A.P., Secretariat, Velagapudi.
Sf/Sc.

//FORWARDED :: BY ORDER//

SECTION OFFICER